



Form DP-1

SF# 22917  
Rev 12/99

Indiana Department of Revenue

Application for Direct Pay Authorization

A separate application is required for each business location.

Federal Identification Number	Taxpayer Identification Number	Location Number
Owner Name, Legal Partnership, Corporate Name or Other Entity Name: If Sole Proprietor (Last Name First)		
Mailing Address: Street		
City	State	Zip Code

Description of Tangible Personal Property

to be Purchased Under Direct Pay Permit \_\_\_\_\_

I hereby certify that the above statements are correct to the best of my knowledge and that I am duly authorized to sign this application. In consideration for issuance of this direct pay permit, I agree that I will report and pay Indiana use tax when due, directly to the Indiana Department of Revenue on any nonexempt transaction where a Direct Pay Certificate was issued and sales tax was not paid.

Signed \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Information Regarding Direct Payment Permits

To apply for a direct payment permit you must be registered with the Indiana Department of Revenue as a retail merchant to collect sales and use tax. A registered retail merchant may apply for a direct payment permit enabling the merchant to remit use tax directly to the state, rather than paying sales tax to their suppliers.

Direct payment permits are issued only when the following conditions are established:

1. The taxpayer regularly buys substantial quantities of tangible personal property that may be used for either an exempt or nonexempt purpose.
2. There is no reasonable way the exempt or nonexempt use can be determined at the time of purchase.
3. Adequate records will be maintained by the taxpayer showing the ultimate uses of all tangible personal property purchased and the amount of use tax remitted.
4. IC 6-2.5-9-3 imposes a personal liability on any employee, officer, or other person responsible for remittance of use tax to the Department.

A need for direct payment permit is always accompanied by the liability for use tax on all tangible personal property used in a nonexempt manner.

Each business location must apply for and receive a separate direct pay authorization. A consolidated sales tax filing number may not be used as a direct pay authorization.

**Direct payment authorization may not be used for purchase of utilities, motor vehicles required to be licensed for highway use, or for property purchased in Indiana for storage in Indiana and subsequent use outside Indiana as provided by the exception contained in IC 6-2.5-3-1 and 2.**

Direct payment permits do not certify that the issuer is entitled to an exemption and may not be issued to flat bid (lump sum) contractors.

Holders of direct payment permits are required to file a copy of their direct payment with their supplier in lieu of an exemption certificate. **A new permit must be mailed to all suppliers each year.**

The tax due must be reported and paid monthly as use tax on Form ST-103.